

2014 Budget Introduction Address

Mayor Gregory A. Ballard

August 19, 2013

(As Prepared for Delivery)

Madam President, members of the City-County Council and fellow residents of this great city, I am pleased to be here tonight. I have just come from visiting our firefighter, Chris McGrone, at IU Health Methodist Hospital and am pleased to report that he looks to be healthy and is in good spirits.

Tonight I am pleased to submit to you the proposed 2014 budget for Marion County and the City of Indianapolis. Six times now I have come before you to lay out a responsible spending plan for the City and County. Like the previous budgets before, this budget sets the stage for future growth. Due to a lagging economy, we will continue to hold the line on spending and avoid an increase in income taxes.

This budget reflects our community priorities. Greater than 90% of all revenue is dedicated to public safety and criminal justice. This budget protects funding for our parks and invests in our community by guaranteeing grants for Noble of Indiana, the arts and community crime prevention efforts. In addition, this budget maintains our competitive business environment and promotes our continued growth.

Indy is on a roll. Indy is chronicled for its growth and bold new initiatives. There is an excitement taking hold. Nearly 3,000 new residential units are planned for downtown. New developments are taking place throughout our neighborhoods. Great things are taking place across the city and with every new announcement we prove there is still more to come.

People are moving back into the city. They are coming here because of our great business climate. They are coming because of our connectivity with trails and bike paths. They are coming here because we are doing bold things like the electric car share plan and one-day, hopefully, better mass transit. It is an exciting time to be in our city.

Our future looks promising, but we must stay prudent and make wise fiscal decisions that encourage Indy's long-term, accelerated growth. The budget before you tonight funds the critical operations of City and County government. It establishes fair sources of on-going revenue. It leaves us with a little money in the bank at the end of next year, goes a long way toward closing our structural budget deficit and, will help Indy remain one of only a handful of large cities in the US with AAA credit ratings from all of the major ratings agencies.

The budget does not contain an income tax increase. It does not borrow to fund on-going operations and, it does not use one-time TIF money or raid the fiscal stability fund.

The proposal you will begin considering tonight demonstrates this City's commitment to great neighborhoods. In addition to proposed funding for streets and sidewalks, The Department of Metropolitan Development budget contains money for a new program to help people buy and rehabilitate abandoned homes – a shared priority of my administration and this Council.

This budget keeps our commitment to Indy Parks. And, once again, this budget directs the Department of Public Works to invest millions of dollars into much needed neighborhood improvements.

Since we started the RebuildIndy initiative three years ago, nearly a half-billion dollars has been invested in our streets, bridges, sidewalks and parks. Last week, we announced the next phase of RebuildIndy with plans to build another \$350 million in sidewalks, trails and greenways. It will fix 31 bridges and for the first time in the City's history, every single street that is listed as Priority One or Priority Two on our needs list will be resurfaced. No one can remember a time when every high priority street resurfacing project was done and we were rehabilitating ten to fifteen bridges a year instead of the usual one or two. Combined, all of the infrastructure improvements total about \$800 million without raising taxes or borrowing against future income or property tax revenues.

I want to thank President Lewis and Minority Leader McQuillen for coming together in a bi-partisan way to co-sponsor this investment in our City's neighborhoods.

Another fundamental element of great neighborhoods is public safety. This budget reflects our city's commitment to fund our top priority. More than 90 percent of our general fund goes to support our police, fire, public safety and criminal justice agencies.

Earlier this year, Public Safety Director Troy Riggs and I announced a plan to return 156 officers to patrol duty and hire two new recruit classes of at least 50 officers in each of the next two years. This budget supports those efforts and, most importantly, provides the funding to pay and equip these officers in the future.

In order to do this, my budget proposes two steps to provide recurring revenue for IMPD. First – I am asking you to reconsider the elimination of the local homestead tax credit. This move will provide over \$11 million in annual revenue to IMPD. It is in the Indiana Constitution that no Hoosier will pay more than one percent in property taxes on their home. We shouldn't be using our scarce income tax dollars to pay property tax bills that are already capped by the state. We should prioritize those funds to provide for the operation and growth of IMPD.

Second, I am proposing the Council expand citywide the special service district that helps pay for IMPD. The current taxing district covers just the old city limits. By expanding the district, the responsibility for funding IMPD is shared equally by all and allows the city to dedicate an extra \$1.3 million in revenue to IMPD.

Indy is slowly starting to see revenue increase and that should continue with new residents moving into our city and hopefully a national economic recovery, but that is not a license to spend. We need to stay on a prudent path to maintain our strong fiscal position.

The budget I present to you tonight is balanced. It does not use one-time sources of revenue to take on new on-going spending. It significantly closes our structural gap and positions us for growth.

My team and I look forward to working with you on this responsible budget for a strong Indianapolis.

Thank you.

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